Industry Involved Risk Assessments

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Industry Involved Risk Assessments

- Background
- Overview
- Process

Industry Involved Risk Assessments

- Background
  - Ms Druyen received feedback from industry council participants that the Air Force continues to release poor RFPs.
    - Ms Druyen directed us to involve industry early and often in the RFP development process to allow them to assist us in refining our RFPs. (Early Industry Involvement)
    - DOD 5000.2 requires that we execute risk driven acquisitions: “The acquisition strategy shall include identification of the risk areas of the program and a discussion of how the PM intends to manage those risks.” (Paragraph 3.3.3)
    - USAF transitioning from total oversight management to high risk area management conserving our limited management resources while insuring successful program execution.

Industry Involved Risk Assessments

- Elements of early industry involvement
  - Web publication of program documentation for comment as it becomes available early in the RFP development process. (ie, requirement documentation, draft RFP, etc.)
  - Industry days early in the RFP development process.
  - Industry Involved Risk Assessments. (IIRA)
    - Began here at WR-ALC in September of 1998 as directed by Mr David Burton WR-ALC/PK.
    - Facilitated by AST; 3-5 days duration.
    - Utilized to identify the high risk areas of the program, develop source selection factors that are true discriminators, identify the best choice of contract type, and identify those risk areas that require PM mitigation approaches to be developed.
    - Serves as input to ASP documentation.

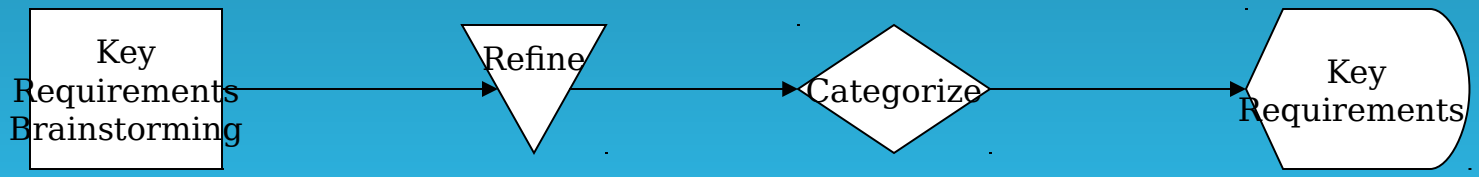
Industry Involved Risk Assessments

- Who participates in the IIRA?
  - User (Higher HQ and their designees)
  - Industry
  - Program Office
  - Air Staff (If desired)
- 15 networked workstations located in WR-ALC/RE and Ventana GroupWare guaranteeing participant anonymity.

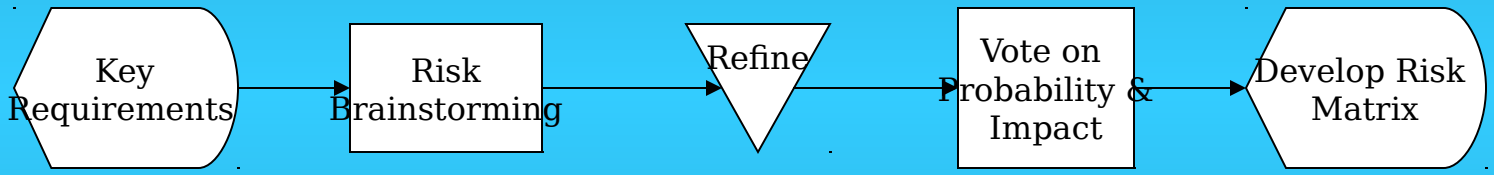
Industry Involved Risk Assessments

- Process
  - Key Requirements Definition
  - Risk Assessment
  - Mitigation Approach Determination

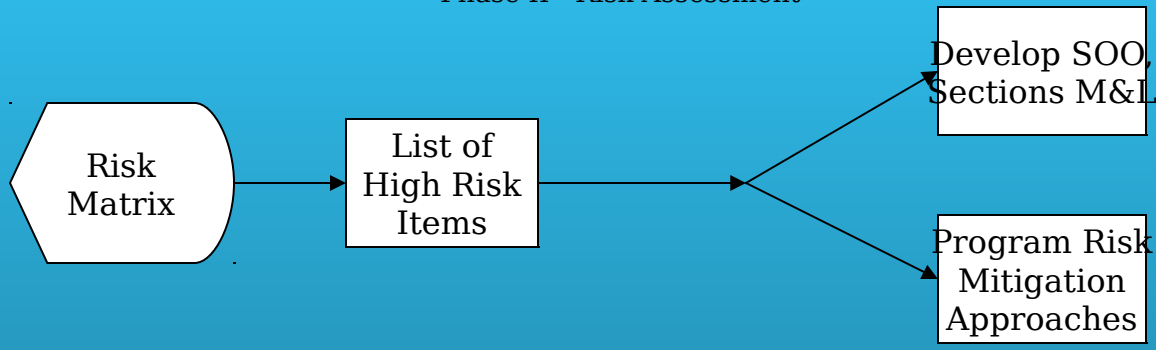
Risk Assessment Process



Phase I - Key Requirements Definition



Phase II - Risk Assessment



Phase III Draft Solicitation Documentation and/or Program Risk Management

Industry Involved Risk Assessments

- Key Requirements Definition (Sources)
  - User: ORD, MNS, CMNS, P3, Schedule, etc.
  - Program Office: Contract Type, Schedule, etc.
  - Test Community: T&E requirements.
  - Industry: Generally in response to business risk areas created because industry is trying to respond to our requirements.
- Historically we are able to identify our requirements but fail to account for industry requirements when we develop our acquisition and program execution strategies.
  - Industry risk translates into Government risk of either/or technical, cost, and schedule

Industry Involved Risk Assessments

- **Government Requirements**: Identified in a pre-IIRA meeting to insure that we have a thorough requirements definition prior to meeting with industry.

  (90 % solution)
- **IIRA Requirements Brainstorming:** Identifies the remaining 10%. (Refined Government definition and Industry requirements.)

- The validity of the requirements is not up for discussion at the IIRA. Why the requirements exists is the subject of the IIRA.

Industry Involved Risk Assessments

- Risk Assessment
  - Risks identified without participants concerning themselves about retribution since anonymity is guaranteed.
  - Risks are associated with categories (elements) of requirements since a requirement can drive risk in more than one element of the program.
  - Voting on Probability and Impact as viewed from individual participant viewpoint. Provides both Government and Industry viewpoint.
  - Facilitator resolves the differences of opinion through discussion and insures the issues and concerns are thoroughly documented.

Industry Involved Risk Assessments

- Mitigation approaches determined:
  - Requirements Documents reassessed.
  - Contract Structure reassessed (Terms and Conditions, Incentives, and Schedule).
  - Program Office tasked to develop solutions.
  - Discriminating Source Selection Factors developed.
  - Draft Statement of Objectives (SOO) drafted.
  - RFP refined to insure the risk areas are addressed in the solicitation.

Industry Involved Risk Assessments

IIRA POC

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